

FOR PUBLICATION

BUSINESS CASE FOR PROPOSED OPEN MARKET CONFIGURATION

MEETING: COMMUNITY, CUSTOMER AND ORGANISATIONAL
SCRUTINY COMMITTEE

DATE: 20 NOVEMBER 2014

REPORT BY: TOWN CENTRE OPERATIONS MANAGER

WARD: ALL

1.0 PURPOSE OF REPORT

- 1.1 To outline the issues that inhibit the development of the open market in order to attract more traders and shoppers.
- 1.2 To present a business case on how any proposed improvements to the open market could be funded.
- 1.3 To request funding to appoint a consultant to present and cost a number of options for the improvement of the market environment, for consideration.

2.0 RECOMMENDATIONS

- 2.1 That £15,000 is allocated from the Service Improvement Fund to appoint a consultant to undertake a feasibility study and provide options with estimated costs for the redesign and upgrade of the Market Place.

3.0 BACKGROUND

- 3.1 The current layout of Market Place comprises 151 stalls set out in 12 horizontal rows. This is split into quarters by walkways from north to south and east to west, with the east to west walkway having seating and weather cover protection (**Appendix 1**).
- 3.2 Only the top row and bottom row have stalls that face outwards onto Market Place, all the rest face inwards into the aisles. Therefore, out

of 151 stalls only 27 can be classed as having a prominent position with clear sight lines and good footfall. Of these, 10 are permanently occupied by 2 fruit and vegetable traders and 17 are occupied by the same traders each week, through a licensing agreement. The next best positions are at the end of rows and we only have 19 in total of these. This results in a lack of interest by traders on the remaining 105 stalls, and this is reflected by their poor occupancy.

- 3.3 There are also 40 stalls in New Square with similar stall occupancy levels to those in the Market Place. This report focuses, however, on the Market Place as this is where it is felt the greatest potential for future stall demand will develop. In addition, New Square has a more open aspect and some of the issues that inhibit the development of the Market Place are not as apparent in this area of the market.
- 3.4 The popularity of a stall location is reflected in the stall rents which range from £7.80 to £28.60. A full list of the 2014/15 rents is attached in **Appendix 2**. The multiple pricing options for stall position and size and, in reality, does not truly address the income worth of that stall in relation to its position and size.

4.0 CURRENT SITUATION

- 4.1 Because of a lack of prominently placed stalls, new traders find it extremely difficult to establish themselves and, therefore, do not stay. They may trade for short periods on the aisle facing stalls in the inside of the market but few find it a successful and viable option. The market, in common with many markets throughout the country, is experiencing difficulties in attracting and retaining new traders.
- 4.2 An analysis of each market day currently shows that on Mondays, out of 151 available stalls in the Market Place, 78 (52%) remain empty on a regular basis. On Fridays 75 stalls (50%) remain empty. On Saturdays the occupancy is slightly better with 62 stalls (41%) remaining empty. The Thursday Flea Market has an occupancy rate of around 90%.
- 4.3 The public have the impression that the market is 'empty', even though there are at least 70 stalls occupied every market day in the Market Place. Chesterfield market, unlike many other markets, has permanently fixed stalls and unused stalls cannot be removed. In many markets, such as Bakewell, the stalls are temporary structures, and only the stalls that are occupied are set up for the day, giving the impression that the market is fully occupied, busy and vibrant where in fact there are fewer stalls than on Chesterfield market.

- 4.4 The Market Manager has adopted different strategies in an attempt to keep market traders, the main one being the development of street positions such as Central Pavement. This does cause issues as it can impede access around town and isn't popular with many residents but, more importantly, it looks like the street markets are taking traders away from the Market Place. The reality is, however, that we need the street markets to retain traders. The obvious answer of putting street traders back into Market Place will not work. They will not accept the poor footfall, poor access and poor sightlines that come with aisle facing stalls. They will simply trade in other towns.
- 4.5 If we are to persuade traders, who are currently located on the streets, back into Market Place and if we are to retain new market traders, we need to address the issue of footfall and sightlines, so that we can provide good trading conditions to all our traders and not just to a select few.
- 4.6 But these are not the only issues that need to be addressed if the market is to become a better shopping environment for both traders and shoppers. Other issues include:
- The power supply to stalls needs to be increased, lighting is available but there are limited supplies for tills, credit card facilities, refrigerators, etc. An upgrade in the power supply could attract more food stalls to the market, a potential area for growth, and would modernise payment methods for both traders and shoppers.
 - There is no weather protection for traders or shoppers, poor weather results in fall in numbers of traders attending the markets as their stock can get damaged. Equally the footfall through the market also declines as shoppers do not want to shop in inclement weather.
 - The aisles are narrow; it can be difficult for members of the public to penetrate the market, particularly with push chairs and wheelchairs.

5.0 IMPORTANCE OF THE OPEN MARKET

- 5.1 Chesterfield is an historic market town and the success of the town as a shopping destination depends to a great extent on the market, both outdoor and indoor. The market sets Chesterfield apart from most other towns of a similar size, not just in appearance, but it results in the town centre having a significant number of independent traders. Busy market days see the town centre become a lively, dynamic and social place. Internet shopping and out of town

shopping centres are attracting greater numbers of shoppers away from town centres but markets have a key role in play in attracting shoppers and visitors, who want to shop in a traditional way, buy locally sourced products, seek bargains and build relationships with traders, back into the town centre.

- 5.2 The Market Hall has recently benefited from a multi-million pound refurbishment which has resulted in attracting new businesses and increasing footfall. As part of this project stronger links were also established with the outdoor market. For the open market to fully benefit from this development it also needs investment to improve the quality of the offer and to attract new traders.
- 5.3 Market traders, through the Markets Consultative Committee, have been consulted on the future of the market and their aspirations for the market can be summarised as follows:
- Change to the market is required but need to retain the character of the market, including the cobbles. There should be wide pathways to help with accessibility and footfall.
 - A central feature should be included in any new layout to attract footfall and vehicular access to this site would be beneficial.
 - Water supply on site would help food traders comply with current environmental health standards and would be of assistance to other traders.
 - To accommodate the high stall occupancy on the Flea Market the final layout should be flexible and have the capacity to increase the number of stalls for different market days.
 - The new layout should recognise that traders sell in different ways eg walk in stalls, trade from boards. Fruit stalls need more space for onsite storage. Not one size fits all solution.
 - Wanted consideration to be given to more permanent stalls on the edges, with onsite storage.
 - Strong links needs to be maintained between the Market Hall and outdoor market.
 - Space between stalls is very narrow, not sufficient space for pushchairs and wheelchairs.
- 5.4 It is likely that any reconfiguration of the Market Place would result in a reduction in the number of stalls but it is important that the market remains financially sustainable for the Council and has potential not only to retain the current levels of income but has potential to grow and develop.
- 5.5 The Thursday Flea Market is the busiest day of the week with virtually full occupancy. It is therefore important that the final layout

must be able to accommodate all traders. This may result in some temporary structures being set up on Thursdays so that traders can continue to operate, even on the busiest days of the week, but no proposal have been considered at present.

6.0 FINANCIAL CONSIDERATIONS

- 6.1 Any proposed improvements to the Market Place will in all probability result a reduction in the number of stalls if improved sightlines, aisle widths, etc are to be achieved. However, if the number of stalls on each market day was reduced it is anticipated that the rents for the newly reconfigured stalls would allow the introduction of a simplified pricing structure. This would be based on primary and secondary stall positions. A greater number of stalls would then be classed as primary which has the potential of generating additional income.
- 6.2 The anticipated stall rent income from the general markets in 2014/15 is £451,000, with an average stall occupancy of approximately 50%. The projected income from a reconfigured Market Place based on a simplified pricing structure and a reduction in the number of stalls by 36 could result in an estimated uplift of £40,000. A 2% increase in occupancy could result in an uplift of income of £50,000 and a 4% uplift of £60,000.
- 6.3 The anticipated stall rent income from the flea market in 2013/14 was £146,000, with an average stall occupancy of approximately 90%. The projected income from a reconfigured Market Place based on a simplified pricing structure and retaining the same number of stalls could result in an estimated uplift in income of £14,000. A 2% increase in occupancy could result in an uplift in income of £17,000 and a 4% uplift of £20,000.
- 6.4 As demonstrated above the new configuration has the potential, even with the reduction in stall numbers by 36, to increase income by almost £50,500 per annum, with the same occupancy levels .A 4% uplift in occupancy would result in an increase of £80,500 per annum. Over a five year period, with no change to the current occupancy levels, the market could see an uplift in income of £272,140. With a relatively modest increase of 4% in occupancy levels, there would be an uplift of income of £402,520.
- 6.5 It should be emphasised, however, that these are indicative figures only and are used to illustrate the fact that an increase in income is attainable if stalls with better trading potential can be provided . No discussions have taken place with traders about any potential new layouts or the introduction of a simplified pricing structure. It is

suggested that external consultants, with the necessary expertise, will be required to develop a series of options that can be presented to both traders and local residents for their comments and endorsements. Based on work carried out for the Council by other consultants it is estimated that a fee of approximately £15,000 would be required to carry out this work and this could be funded from the Service Improvement Fund.

- 6.6 It is not possible at this stage to estimate the cost of a scheme to reconfigure the Market Place but in 2005/6 a total of £250,000 was spent on the redevelopment of the market which included the replacement of all the market stalls and general improvements to the market environment. The consultant would be asked to provide estimated costs for any scheme that they would put forward.
- 6.7 The projected income figures show that over a five year period an additional £402,520 could be raised, subject to a 4% growth in occupancy levels, and the introduction of a simplified pricing structure. This income could be used to finance the scheme; it is unlikely that this project would attract any significant external funding.

7.0 TIMESCALE

- 7.1 A report will be taken to Cabinet in December 2014 and after a competitive tendering process a consultant would be appointed in late February 2015. The consultant will then need to liaise with elected members, officers and market traders to help develop a number of options and provide costs associated with each option. It is anticipated that the final report would be submitted for consideration in late April/early May 2015. Further consultation would then take place on the various proposed options.
- 7.2 Once the preferred option has been agreed by members there would still be a number of challenges that would need to be overcome. These would include securing funding, planning permission (the market is in a conservation area), etc.

9.0 RECOMMENDATION

- 9.1 That £15,000 is allocated from the Service Improvement Fund to appoint a consultant to undertake a feasibility study and provide options, with estimated costs, for the redesign and upgrade of the Market Place.

10.0 REASON FOR RECOMMENDATION

- 10.1 To help secure the operation of a sustainable and viable open market that has the capacity to attract additional market traders and shoppers.

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You can get more information about this report from
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